

Talking Points for the DCI

14 January 1986

Libya: Qadhafi's Domestic Position

Qadhafi is the most unpopular and isolated he has been since he came to power 16 years ago. If, as seems likely, Qadhafi remains determined to pursue his radical policies, we assess his chances of surviving another year as little better than even.

- He is almost entirely dependent for support on a diminishing circle of relatives, fellow tribesmen, and ideological extremists--many little more than young thugs.
- There is also evidence of increased infighting among senior Libyan officials. Many of them are building up their networks of clients and supporters, reflecting a lack of confidence in Qadhafi's viability and threatening the unity of the regime.
- His continued involvement with ill-conceived foreign adventures and revolutionary causes--such as the occupation of Chad or support for Iran against Iraq--is unpopular with most Libyans.
- Qadhafi's radical and destabilizing policies have prompted growing cooperation against him by Algeria, Egypt, Tunisia, and Iraq, whose national interests are directly threatened by his actions.
- Opposition to the regime has become more open, and occasionally violent. The past year saw antiregime literature distributed in major cities, student disturbances, several reported instances of sabotage or assassination attempts against Qadhafi, and the first organized coup plot by military officers in over two years.

A Constricted Economy

A sharp drop in oil revenues, economic mismanagement, and a declining standard of living are major causes of Qadhafi's political difficulties. Senior Libyan officials have remarked recently that the economic situation is the worst since Qadhafi seized power.

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- In comparison with \$24 billion in oil revenues in 1981, we estimate that Libyan export earnings in 1985 remained at the previous year's level of about \$11 billion. Foreign exchange reserves have dwindled from \$14 billion in 1981 to a current level of 5.1 billion. The recent freeze on Libyan assets in US banks reduces by around \$1 billion the amount of cash Tripoli has readily available.
- Qadhafi held imports to about \$7 billion last year through severe austerity measures, particularly in the consumer sector. Shortages of food, water, and electricity have become a way of life for most Libyans; what is available is often expensive.

Rising Discontent

Public discontent has been more open this past year, and includes instances of violence.

- There was at least one attempt to assassinate Qadhafi early in 1985; a car bomb explosion in the Tripoli port area last September also may have been aimed at Qadhafi.
- Qadhafi also has encountered growing pressure from Libyan opposition groups, particularly the National Front for the Salvation of Libya (NFSL).
- By far the most ominous development for Qadhafi this past year is rising discontent in the armed forces.
- Qadhafi arrested scores of officers last March after discovering the first organized coup plot in two years. More officers were arrested in September.

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